

FBI looked into Byrd-Bennett before she worked in Chicago

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Body

Federal investigators were looking at Barbara Byrd-Bennett's role in a \$40 million textbook contract awarded while she worked in Detroit, long before she became Mayor Rahm's Emanuel schools' chief, the Chicago Sun-Times has learned.

Byrd-Bennett, 66, faces more than seven years in prison after she pleaded guilty in Chicago earlier this month to steering a \$23 million no-bid contract to a former employer while she was CPS CEO in exchange for kickbacks.

Both the Chicago and Detroit deals contain startling similarities, interviews and public document obtained by the Sun-Times show.

Byrd-Bennett was the Detroit schools chief academic and accountability auditor, making \$18,000 a month, when Houghton Mifflin Harcourt won the giant contract for textbooks and online training that began in August 2009.

She was the CPS CEO when she pushed through the contract to The SUPES Academy in 2013 to train principals, one of largest no-bid deals in memory for CPS.

The deals in both Chicago and Detroit prompted each school system's inspector general to open an investigation and refer the findings to the FBI.

Both deals involved companies that Byrd-Bennett had previously worked for.

And both deals spurred the FBI to ask hard questions, with the Chicago contract resulting in Byrd-Bennett's indictment. No one has been accused of wrongdoing in the Detroit textbook contract.

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Two former Detroit Public School employees said they raised concerns involving Byrd-Bennett's actions while she was in Detroit and had contact with the FBI.

A former procurement officer for Detroit Public Schools, David Costa, told the Sun-Times he was interviewed by FBI several times about the textbook deal and Byrd-Bennett, beginning at least three years ago.

Costa, an attorney hired in 2009 by Detroit schools, was fired soon after he emailed top Detroit staffers about the textbook deal. His questions included whether the work was being bid properly, noting that some high-ranking Detroit school officials were talking to Harcourt about the deal by email even before it was put out to bid.

Costa emailed a top Byrd-Bennett aide about the contract in August 2009, copying Byrd-Bennett, her boss, Robert Bobb, and others.

Costa wrote: "Regarding the competitive bidding process, do you have responses from Houghton Mifflin Harcourt dated after the date of the (request for proposals) with price information which adds up to the contract amount of \$39,316,929? What you have provided me here are documents dated in May, June and July. It is my understanding that the RFP[request for proposal] process was conducted in August."

With days of Detroit Public Schools officially announcing that it was interested in buying new textbooks and online services, Houghton Mifflin Harcourt, based in Boston, submitted a detailed bid, records show. Several pages of that bid were even signed the same day the official notice was put out.

"What I didn't know then, I know now," Costa said in a recent interview. "She worked for [Houghton Mifflin Harcourt] . . . The FBI asked me if I could think of any reason they would have pushed this through so quickly."

When Costa tried to save Detroit Public Schools money on the deal, he said a textbook company official told him: "You have no idea, this contract is going to go through without you. We've already talked to Barbara."

Detroit Public Schools officials also were upset, he said.

"Every time I tried to save the district money, they got mad at me."

His firing is now under investigation by the Detroit school system and law enforcement, a Detroit school spokeswoman said.

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The school system's inspector general at the time, Wilbert Van Marsh, a former FBI agent, said his office did look into some contracts involving Byrd-Bennett but declined to say which ones or how many.

"We did in fact refer what we found about Barbara Byrd-Bennett to the FBI here in Detroit a couple years ago," Van Marsh said, adding it was "some time in 2010 or 2011" well before she ever came to CPS.

But emails from his office make clear Van Marsh was looking into the textbook contract and potential conflicts of interest.

"What were your duties and responsibilities as Supt in residency for Harcourt?" a deputy inspector general emailed Byrd-Bennett in May 2011, referring to a job title Byrd-Bennett had with the publisher. "Has there ever been a time during your tenure with [Detroit Public Schools] that you had to recuse yourself from contract bidding, negotiating, or signing with Houghton Mifflin Harcourt because of your prior position with the company?"

As for whether his referral sparked a grand jury, Van Marsh would say only, "I prefer not to say. I do not want to step on any toes."

A spokeswoman for the Detroit school district said officials knew Van Marsh had been in contact with the FBI officials about the Houghton Mifflin Harcourt contract "but have not been privy to any details."

"As we have become aware of irregularities, we have communicated this to the FBI officials here and will continue to work cooperatively with the agencies involved in the investigation," the spokeswoman, Michelle Zdrodowski, told the Sun-Times.

The FBI in Detroit declined to comment. Prosecutors in Chicago have said Byrd-Bennett is cooperating with their continuing investigation but have declined to provide details.

Byrd-Bennett did not return emails for comment. Houghton Mifflin Harcourt did not return messages for comment.

The investigation in Detroit raises further questions about what kind of vetting process Mayor Emanuel's administration did before hiring Byrd-Bennett to a high-ranking job at CPS. Emanuel has already come under fire for Byrd-Bennett's hiring.

Emanuel's office declined to comment on the vetting process.

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A CPS spokeswoman said in an emailed statement: "No one could have predicted the crime that Barbara Byrd-Bennett admitted to earlier this month. As we've said before, CPS will do everything in our power to make sure that this will not happen again, and that every possible dollar reaches our classrooms."

As for Van Marsh, he said no one in Chicago ever contacted him about Byrd-Bennett prior to her being hired in Chicago. The spokeswoman for Detroit schools did not respond when asked if they had ever been contacted about her either.

Byrd-Bennett worked with the textbook company before going to Detroit Public Schools and after leaving the school system, according to her official CPS resume. She had joined Harcourt School Publishers in February 2006, immediately after her tenure as CEO of the Cleveland school district ended.

In 2007, Harcourt School Publishers was acquired by Houghton Mifflin Co., and became Houghton Mifflin Harcourt.

Byrd-Bennett stayed with Houghton Mifflin Harcourt until May 2009, when she was hired in Detroit.

After a little more than two years in Detroit, she became an "independent education/systems consultant" in September 2011, according to her resume. Her consulting gigs at that time included being "employed [part time] as superintendent-in-residence for Houghton Mifflin Harcourt Curriculum Group."

CPS hired Byrd-Bennett in April 2012, as a top aide to then-CEO Jean-Claude Brizard. Six months later, she replaced him.

Before she came to Chicago, her consulting clients also included SUPES and its sister company, Synesi Associates.

Byrd-Bennett pleaded guilty on October 13 to a single count of federal wire fraud stemming from that \$23 million deal with SUPES.

She admitted she hid her continuing relationship with SUPES and Synesi Associates, and had agreed in detailed emails to the companies' owners to steer CPS contracts to the companies in exchange for a percentage she would receive once she resumed work for them after leaving Chicago.

Gary Solomon and Thomas Vranas, co-owners of SUPES and Synesi, also were indicted and have pleaded not guilty to charges against them that include bribery.

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The Sun-Times has reported that Solomon and Vranas also sought \$3.4 million in business for Synesi to help Detroit schools implement federal school improvement grants during Byrd-Bennett's tenure. They also sought business for a third company of theirs, PROACT Search, to find replacements for top Detroit school officials after Byrd-Bennett's team left.

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